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THE AGRICULTURAL SITUATION.

A BRIEF SUMMARY OF ECONOMIC CONDITIONS

ISSUED MONTHLY BY THE BUREAU OF AGRICULTURAL ECONOMICS,
UNITED STATES DEPARTMENT OF AGRICULTURE, WASHINGTON, D. C.

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August 1, 1925.

SEASON STILL PROMISES WELL

The general picture of crop conditions holds its favorable aspect as the season wears along toward fall. Rains last month added to hay and late oats. Corn is making ears now and looks good, as a whole. A fairly good spring wheat crop seems assured, in spite of considerable hot weather damage and some rust in the Red River Valley. Winter wheat was a disappointment but has apparently threshed out about as much grain as was expected and it is of good quality. Fruit is not so plentiful in eastern districts, but the Pacific Coast will make good much of the deficiency. Cotton has lost ground in the western belt by reason of drought, but indications still point to a good-sized total crop. Potatoes are a decidedly smaller acreage than last year and promise a smaller yield but may make more money for producers, nevertheless.

That is the significant thing this season. Production and prices are in a reasonable kind of balance once more. The wheat supply approaches a domestic basis, with a tariff in the background. The world can apparently absorb a good sized crop of cotton at remunerative prices. There is promise of sufficiently ample feed crops so that livestock production will be un-handicapped.

The latter is, indeed, not the least important item in the situation. Heavy steers have been bringing lately about \$2 a hundredweight higher price at Chicago than last year, hogs around \$6 more or nearly double the price of a year ago, and even lambs nearly a dollar more. With an advancing livestock market and feedstuffs not unduly high priced, the stage is set for better times over a large and important territory. The probability is that hogs are this fall approaching the peak of a price cycle; some far-sighted producers are already turning a weather eye toward the probable heavy pig production in 1926 and lower price levels thereafter.

Truck crops are coming in for a share of price recovery this season. Early estimates suggest a potato production of only about 3.1 bushels per capita, which would be on a par with those well-remembered shortage years, 1911 and 1919. Onions, cabbage, melons and peaches have been selling at two or three times last year's prices and seemingly have a brisk fall market ahead.

Agricultural recovery has been a regional matter, emphasizing the fact that it is essentially a regional industry. Last year started the two great money crop regions, the Cotton Belt and the Wheat Belt, on their feet once more. This season promises to do likewise for the great livestock territory of the Central and Far West. Given some rain in the drought-stricken Southwest, the 1925 agricultural picture could safely be painted by an optimist.

KEY REGIONS AT A GLANCE

THE EAST - Finishing haying in the north. Light crop. Potatoes doing well in north; suffered from lack of rain farther south. Fruit prospect not large. Growers of fruit and truck crops heartened by higher prices, compared with last year. Better undertone in dairy industry; prices of cows stiffening up somewhat. Region generally has prospect of somewhat better income than last year.

THE SOUTH - Cotton outlook poor in drought regions of Texas and Oklahoma but generally good elsewhere. Picking in progress in South. Weevil growing plentiful but no serious damage reported. Other crop conditions parallel cotton. General sentiment good outside drought-stricken territory.

CORN BELT - Corn doing very well, on the whole. Is one to two weeks ahead of last year. Some dry weather damage reported in western Iowa, Nebraska and Kansas. Prospect of good corn crop and rising hog prices very encouraging to Corn Belt. Small grains not a heavy crop, but wheat quality good; late oats benefited by rains.

WHEAT BELT - Winter wheat mostly threshed and is moving to market. Yields not satisfactory but quality good. Spring wheat harvest getting well under way. Appears to be fairly good total crop, though extent of hot weather damage not yet determined at this writing.

RANGE COUNTRY - Rather widespread, premature drying up of lower ranges. Stock and irrigation water generally sufficient, however, except in south. Recent sheep survey does not show increased number of lambs over last year in range States (though showed 5.5 per cent lamb increase in whole country.) Sugar beets doing very well and other irrigated crops mostly good. Cattlemen deriving some hope from higher prices on heavy stock and prospects for feeder demand.

PACIFIC COAST - Been hot and dry. Some hot weather damage to spring wheat in north, likewise to fruit and non-irrigated crops all through coast region. Winter wheat harvest well along in north; yields and quality fairly good. Livestock on summer ranges.

THE TREND OF CROP PRODUCTION

	Production	Last Year's Production	This Year's Production
	5-Year Av. 1920-1924		July 1 forecast
	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Winter wheat, bu.	592	590	404
Spring wheat, bu.	245	283	276
All wheat, bu.	837	873	680
Corn, bu.	2,935	2,437	3,095
Oats, bu.	1,328	1,542	1,292
Flaxseed, bu.	15.3	30.2	26.1
Cotton, bales	10.9	13.6	13.59
Rice, bu.	39.8	34.0	38.1
Potatoes, white, bu.	418	455	350
Sweet potatoes, bu.	96.2	71.9	87.6
Tobacco, lbs.	1,331	1,241	1,283
Hay, all, tons	107	112	92.6
Apples, total, bu.	181	179	157
Apples, commercial, bbls.	30.4	28.6	29.2
Peaches, total, bu.	46.5	53.1	46.8

AVERAGE PRICES OF FARM PRODUCTS RECEIVED BY PRODUCERS

July 15, 1925.

Actual prices received by producers at local farm markets as reported to the Division of Crop and Livestock Estimates of this Bureau. Average of reports covering the United States, weighted according to relative importance of district and State.

	5-yr. v. Aug. 1909- July, 1914	July Av. Aug. 1909- July, 1914	July 1924	June 1925	July 1925
Cotton, per lb.	¢ 12.4	12.7	27.3	23.0	23.4
Corn, per bu.	¢ 64.2	70.1	98.3	111.0	104.4
Wheat, per bu.	¢ 88.4	86.2	105.8	152.7	140.3
Hay, per ton	\$ 11.87	11.78	13.49	11.82	12.48
Potatoes, per bu.	¢ 69.7	81.5	109.0	84.4	125.5
Oats, per bu.	¢ 39.9	40.9	49.4	48.3	45.3
Beef cattle, per 100 lbs.	\$ 5.22	5.33	5.65	6.46	6.55
Hogs, per 100 lbs.	\$ 7.23	7.25	6.60	10.82	12.02
Eggs, per dozen	¢ 21.5	16.7	22.8	26.1	27.9
Butter, per lb.	¢ 25.5	23.3	37.0	38.2	39.2
Butterfat, per lb.	¢ ----	----	37.8	39.9	40.5
Wool, per lb.	¢ 17.7	17.5	34.3	35.7	39.4
Veal calves, per 100 lbs.	\$ 6.75	6.74	7.88	8.18	8.65
Lambs, per 100 lbs.	\$ 5.91	6.09	10.50	11.62	11.71
Horses	\$142.00	142.00	77.00	80.90	80.77

The July 15 farm prices of cereals were lower than the June 15 prices. Cotton, hay, potatoes and the various classes of livestock and livestock products were generally higher. The market prices of grain reached the lowest levels since April during the weeks ending July 3 and 10 but made substantial gains during the week ending July 17.

The farm price of hogs of \$12.02 for July 15 was the highest since the deflation of 1920-21 and nearly double that of July 15 a year ago. Market prices have continued definitely upward since the first week in June but had not by the week ending July 17 reached the high point made during March. The farm price of beef cattle made a slight increase only, although the Chicago market price of steers for slaughter has been definitely upward since the middle of May. Stocker and feeder cattle reached the lowest point of the year on the Chicago market for the week ending July 18. The farm price of wool was higher on July 15 than for any month since April. The Boston market price of wool has been showing an upward trend since the first of June. All of the above prices of farm products are higher than a year ago except cotton, hay and oats.

PRICE INDEXES FOR JUNE AND JULY, 1925.

Farm products figures from this Bureau; commodity groups from Bureau of Labor Statistics, (latter shown to nearest whole number.) Shows year ago, and latest available months:

Farm Products

(Prices at the farm, Aug. 1909 - July 1914 = 100.)

	<u>July</u> <u>1924</u>	<u>June</u> <u>1925</u>	<u>July</u> <u>1925</u>	<u>Month</u> <u>Trend</u>
Cotton	220	185	189	Higher
Corn	153	173	163	Lower
Wheat	120	173	159	Lower
Hay	114	100	105	Higher
Potatoes	156	121	180	Higher
Beef cattle	109	124	126	Higher
Hogs	91	149	166	Higher
Eggs	107	121	130	Higher
Butter	145	150	154	Higher
Wool	193	201	221	Higher

Commodity Groups

(Wholesale Prices; 1910-1914 = 100.) 1/

	<u>June</u> <u>1924</u>	<u>May</u> <u>1925</u>	<u>June</u> <u>1925</u>	<u>Month</u> <u>Trend</u>
Farm products	134	152	155	Higher
Food, etc.	135	152	154	Higher
Cloths & clothing	191	192	192	Unchanged
Fuel & lighting	203	195	200	Higher
Metal & met. products	142	136	135	Lower
Bldg. materials	178	179	176	Lower
Chemicals, etc.	125	132	131	Lower
House-furnishing goods	178	176	176	Unchanged
<u>ALL COMMODITIES</u>	<u>147</u>	<u>158</u>	<u>160</u>	<u>Higher</u>

1/ Bureau of Labor Statistics index numbers converted to 1910-1914 base.

RELATIVE PURCHASING POWER

(At June 1925 Farm Prices)

Aug. 1909 - July, 1914 = 100

<u>In terms of:</u>	<u>Of a Unit of:</u>				
	<u>Cotton</u>	<u>Corn</u>	<u>Wheat</u>	<u>Hay</u>	<u>Potatoes</u>
All commodities	116	108	108	62	76
Cloths, etc.	97	90	90	52	63
Fuel, etc.	93	86	86	50	60
Metals, etc.	137	123	128	74	90
Bldg. Materials	106	98	98	57	69
House-furnishing goods	106	98	98	57	69

	<u>Beef Cattle</u>	<u>Hogs</u>	<u>Eggs</u>	<u>Butter</u>	<u>Wool</u>
All commodities	78	93	76	94	125
Cloths, etc.	65	78	63	78	105
Fuel, etc.	62	75	61	75	100
Metals, etc.	92	111	90	111	148
Bldg. materials	71	85	69	85	114
House-furnishing goods	71	85	69	85	114

The trend of price relationships is such that producers of cotton, corn, wheat and wool are at a relative advantage in the general markets and the position of hog producers is steadily improving. The difficulties of the East are reflected in the low indicated purchasing power of hay, potatoes and eggs, and of the Far West in the continued low purchasing power of beef cattle.

The general index of purchasing power of farm products in terms of non-agricultural commodities remains at a level of 90, compared with a five-year pre-war level taken as 100.

GENERAL BUSINESS INDICATORS
RELATED TO AGRICULTURE

	1924 June	1925 May	1925 June	Month's Trend
PRODUCTION				
Pig iron daily (Thou. tons)	68	95	89	Decrease
Bituminous coal (Millions tons)	31	35	37	Increase
Automobiles shipped (Thou. carloads)	26	50	--	
CONSUMPTION				
Cotton by mills (Thou. bales)	350	531	494	Decrease
Unfilled orders Steel Corp. (Thou. T.)	3,263	4,050	3,710	Decrease
Building contracts (Millions dollars)	331	424	466	Increase
Hogs slaughtered (Thousands)	2,852	1,931	2,298	Increase
Cattle " "	1,030	1,123	1,190	Increase
Sheep " "	903	830	908	Increase
MOVEMENTS				
Bank clearings (N.Y.) (Billions dollars)	20	24	24	Same
Car loadings (Thousands)	4,445	3,934	4,877	Increase
Mail order sales (Millions dollars)	27	30	31	Increase
Men employed, N. Y. State Factories (Thou.)	489	495	491	Decrease
Av. price 25 indus. stocks (Dollars)	109	142	144	Increase
Interest rate (4-6 mo. paper, N. Y.)	3.91	3.88	3.88	Same
Retail Food Price Index (Dept. Labor)*	142	152	155	Higher
Wholesale Price Index (Dept. Labor)*	136	153	155	Higher

Fundamentally, business continues good. Most of the indices of trade proclaim general activity and general prosperity. Some authorities have even come to see considerable virtue in the fact that business has been for some time on a hand-to-mouth basis. They say it means that stocks are not piled up, that the current requirements for fall and winter must be reflected in continued activity down through the whole industrial organization.

Well informed men appear to agree that the building situation now remains as the key to general conditions. Building and construction continue active. Moreover, these lines embrace, first and last, so wide a portion of all industry that as building goes so may go the entire business situation.

GENERAL TREND OF WAGES AND PRICES

1910-1914 = 100

Year and Month	General Wage Level	Farm Wages 2/	Retail Price of Food 1/	Wholesale Price of Food 1/	Wholesale Price All Commodities
N.Y. factory workers					Bureau of Labor Statistics
1910	---	97	96	100	103
1911	---	97	95	96	95
1912	---	101	101	103	101
1913	---	104	103	99	102
1914 (June)	100	101	106	101	100
1915	101	102	104	104	103
1916	114	112	117	120	129
1917	129	140	151	166	180
1918	160	176	174	187	198
1919	185	206	192	205	210
1920	222	239	210	218	230
1921	203	150	158	143	150
1922	197	146	146	137	152
1923	214	166	151	143	156
1924	218	166	150	143	152
<u>1924</u>					
January	219	159	154	142	154
February	218	---	152	142	154
March	222	---	148	140	153
April	218	163	146	136	151
May	217	---	145	136	150
June	214	---	147	135	147
July	213	168	148	138	150
August	216	---	149	143	152
September	221	---	151	147	152
October	217	171	153	151	155
November	218	---	155	153	155
December	222	---	156	157	160
<u>1925</u>					
January	223	156	159	159	163
February	220	---	156	156	164
March	224	---	156	158	164
April	218	163	155	153	159
May	221	---	156	152	158
June	220	---	160	154	160

1/ Bureau of Labor Statistics index numbers converted to 1910-1914 base.

2/ Index based on both monthly and daily wages.

NEW INDEX OF GENERAL TREND OF PRICES

On Five-Year Base, August, 1909 - July, 1914 = 100

The following table presents the new index of prices of principal groups of farm products, rather than the two groups, crops and livestock, as previously presented. These indexes are on a five-year base which is regarded as a better normal base than the one year, 1913. By coincidence, the index for "all groups" and the dairy and poultry products groups equaled 100 in 1913.

Year and Month	Index numbers of farm prices							Wholesale Prices of Non-Agri- cultural Commodi- ties 1/	Relative purchasing power of Farmer's Product 2/
	Grains	Fruits and Vegetables	Meat Ani- mals	Dairy & Poultry Products	Cotton and Cotton- seed	Unclas- sified	All Groups 30 Items		
1910	104	91	103	101	113	102	103	102	101
1911	96	106	87	95	101	103	95	96	99
1912	106	110	95	103	87	106	99	100	99
1913	92	92	108	100	97	94	100	105	95
1914	103	100	112	101	85	95	102	97	105
1915	120	83	104	99	78	95	100	101	99
1916	126	123	120	106	119	100	117	138	85
1917	217	202	173	133	187	130	176	182	97
1918	226	162	202	160	245	157	200	188	107
1919	231	189	206	182	247	162	209	199	105
1920	231	249	173	197	248	152	205	241	85
1921	112	148	108	151	101	90	116	167	69
1922	105	152	113	135	156	94	124	168	74
1923	114	136	106	147	216	109	135	171	79
1924	129	124	109	137	211	100	134	162	83
1924									
Apr.	113	128	106	126	226	98	130	164	80
May	114	132	107	123	222	94	129	162	80
June	116	146	105	123	219	95	130	159	82
July	130	142	103	122	215	101	132	158	83
Aug.	141	138	116	123	219	103	139	159	87
Sept.	140	113	115	133	175	100	132	158	83
Oct.	150	109	121	142	182	102	138	158	87
Nov.	147	108	115	150	179	106	137	160	86
Dec.	155	110	113	158	176	102	139	163	85
1925									
Jan.	172	122	123	154	182	94	146	165	88
Feb.	178	131	126	142	183	96	146	167	86
Mar.	172	138	145	134	195	94	151	165	91
Apr.	152	146	146	131	189	94	147	162	90
May	159	162	139	132	184	87	146	161	90
June	164	184	139	132	183	74	147	163	90
July	152	178	148	134	186	76	148	---	---

1/ Computed by Bureau of Labor Statistics from wholesale prices of all commodities except those from United States farms. 1910-1914 = 100. 2/ The value of a unit of the farmer's product in exchange for non-agricultural products at wholesale prices, compared with pre-war values. Obtained by dividing index of all groups (30 items) by index of wholesale prices of non-agricultural products.

THE TREND OF MOVEMENT TO MARKET

Figures show wheat, corn, hogs, cattle, sheep receipts at primary markets; butter receipts at five markets, compiled by this Bureau. All figures given to nearest thousand, that is, three ciphers omitted:

Month	WHEAT Receipts Th. bu.	CORN Receipts Th. bu.	HOGS Receipts Thousands	CATTLE Receipts Thousands	SHEEP Receipts Thousands	BUTTER Receipts Th. lbs.
1921 Total	435,606	340,908	41,040	19,764	24,168	472,011
1922 "	413,106	378,598	44,067	23,218	22,364	530,601
1923 "	386,430	271,858	55,330	23,211	22,025	549,207
1924 "	432,007	278,719	56,414	23,695	22,201	591,439
1924 Jan.	15,548	30,594	6,253	1,888	1,697	37,689
" Feb.	20,165	44,689	5,335	1,457	1,412	40,474
" Mar.	17,434	29,405	4,833	1,556	1,367	44,371
" Apr.	10,374	17,926	4,374	1,751	1,348	43,970
" May	16,039	15,988	4,321	1,890	1,344	57,462
" June	16,877	17,392	4,296	1,673	1,550	77,891
" July	39,911	18,453	4,091	1,798	1,672	78,083
" Aug.	88,461	18,841	3,196	1,934	2,005	57,624
" Sept.	81,183	22,084	3,216	2,566	3,027	47,760
" Oct.	84,858	18,877	3,990	2,737	3,295	42,220
" Nov.	58,081	15,231	4,904	2,363	1,879	30,417
" Dec.	33,076	29,239	6,604	2,083	1,605	33,471
1925 Jan.	23,247	35,820	6,105	1,869	1,467	38,118
" Feb.	18,493	20,833	4,558	1,530	1,388	35,421
" Mar.	16,925	23,868	5,528	1,860	1,504	41,027
" Apr.	10,023	9,810	3,247	1,827	1,541	42,559
" May	17,896	11,935	3,283	1,737	1,689	57,276
" June	20,465	17,381	3,507	1,746	1,603	74,170

Rather heavy movement of grain to market during June. Usual increase in receipts of butter.

Hog receipts, on the other hand, plainly reflect the lessened production.

About same number of cattle and somewhat more sheep and lambs went to market during June than in same month last year - also probably a fairly accurate reflection of the production situation.

THE TREND OF EXPORT MOVEMENT

Compiled from Department of Commerce reports by Division of Statistical Research of this Bureau.

Month	WHEAT including flour	TOBACCO (Leaf)	BACON** HAMS AND SHOULDERS	LARD	TOTAL* MEATS	COTTON# running bales
	1,000 Bushels	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Bales
1923 June	12,881	49,730	59,473	64,605	68,799	215
1923 12 months	171,928	474,500	828,890	1,035,382	958,473	5,279
1924 January	12,143	47,579	79,067	132,758	90,430	547
" February	10,019	38,414	81,108	99,910	90,462	482
" March	9,374	61,172	66,695	100,726	74,464	332
" April	8,416	59,019	57,546	73,307	64,474	321
" May	7,206	39,661	45,584	62,648	51,427	326
" June	10,257	52,614	44,145	59,475	49,807	231
" July	7,600	32,520	53,769	86,788	60,406	211
" August	21,106	33,410	52,367	75,937	60,180	278
" September	39,244	37,245	43,117	65,810	50,088	737
" October	53,463	56,227	45,365	60,813	52,820	947
" November	35,102	44,229	35,430	49,120	42,395	1,307
" December	24,326	44,168	33,788	76,803	43,114	1,076
1924 12 months	238,256	546,257	637,980	944,095	730,067	6,796
1925 January	12,928	35,446	56,169	78,440	65,705	1,076
" February	11,612	23,806	48,041	60,363	55,438	812
" March	16,202	32,475	53,853	63,281	62,016	740
" April	12,721	30,850	33,413	44,447	39,303	473
" May	12,976	22,415	33,475	71,135	38,977	331
" June	10,758	27,460	39,690	59,799	45,398	218

Export of wheat and lard during June practically same as last year. More pork went out than during the previous month but less than in June last year.

Cotton export continues seasonal decline with June movement slightly below last year.

* Includes fresh, canned and pickled beef, bacon, hams and shoulders; fresh, canned, and pickled pork; mutton and lamb.

Includes linters.

** Includes Cumberland and Wiltshire sides.

COLD STORAGE SITUATION

July 1 holdings (Shows nearest million, six figures omitted:)

<u>Commodity</u>	<u>5-Year Average</u>	<u>Year Ago</u>	<u>Month Ago</u>	<u>July 1, 1935.</u>
Creamery butter, lbs.	64	74	13	64
American cheese, lbs.	36	45	30	46
Case eggs, cases	8,600*	8,685*	7,712*	9,475*
Total poultry, lbs.	34	35	68	54
Total beef, lbs.	77	59	75	62
Total pork, lbs.	854	873	748	739
Lard, lbs.	166	153	138	146
Lamb & Mutton, lbs.	4.6	2.9	1.9	1.5
Total meats, lbs.	1,009	1,005	905	879

A seasonal movement of butter, cheese and eggs into storage during June.

Continued outward movement of dressed poultry, beef, pork, and lamb. Lard stocks increased somewhat, however.

Storage stocks above average in case of cheese, eggs and poultry. Stocks below average in case of beef, pork, lard and lamb. Stocks of butter about average.

*Thousands, or three figures, omitted.

THE DAIRY SITUATION

Division of Dairy and Poultry Products, B. A. E.

The month of July has not brought any particular new or outstanding developments on the dairy markets. Yet the situation holds considerable interest and several features deserve special comment.

Butter production is, perhaps, of greatest immediate interest. It is clearly indicated that butter production is running lighter than last year. As shown in the butter summary on the following page, creamery butter production was estimated as lighter by more than 27,000,000 pounds, or 3 per cent, from January to June than in the same period last year. While figures for July are not yet available, market receipts indicate that production during July is about 6 per cent under July, 1924. It is interesting to note that, with the exception of May, each month this year has shown a decrease from the same month of last year. This is all the more striking when it is realized that this year is the first interruption for several years back to the general upward swing in butter production. This has been explained as a result of the heavy production of last year with the low prices that were thus brought about by the high feed costs during the winter and early spring months which caused cows to be sent to pasture in a poorer condition than is usually the case: and as much as anything else by the fact that weather conditions, while fairly favorable it is true, lacked considerable of the extremely favorable conditions of the 1924 season.

Cheese production, however, has continued to show a slight increase over last year's figures. It should be noted that this year's increase is less than 1 per cent while previous years have shown regular increases of nearly 10 per cent. Production of condensed and evaporated milk is reported lighter than in 1924, a situation that has been in existence since January. Information on fluid milk production is not available in an accurate form. It may be said, however, that surpluses in some districts have not reached the usual proportions. This may account for some of the decrease in condensed and evaporated milk production among factories which depend upon such surpluses as a part of supply.

While stocks of butter in storage were 10,500,000 pounds lighter on July 1 than on July 1, 1924, the input in June was nearly as great as it was last year. During July, while storage movement has been fairly well maintained, movement has not been nearly as heavy as July a year ago, the period of heaviest increase last season. It is interesting to note that the 10,500,000 pounds decrease from July, 1924, to July, 1925, is scarcely more than a third of the decrease in production. Cheese holdings are about the same as last year, but recent into-storage movement has not been brisk. The storage situation may be regarded as a normal one with fairly heavy storage movement but no outstanding features of speculative activity.

Regarding prices, little need be said. June butter prices averaged about a cent higher than June, 1924, and July prices have shown a rather normal increase instead of a decline as occurred last year. Cheese markets have gained a little strength, and prices advanced slightly. Concentrated milk prices have shown little change, although the market trend is firmer. Thus the dairy markets in general appear to be in a fairly firm position. While demand has been generally good, yet the main factor of support has been the decrease in production. Present trends of market receipts and weather and pasture conditions indicate little possibility of a change from the decrease to date to an increase as the year progresses.

DAIRY SITUATION

(Thousand pounds, i.e. 000 omitted
Stocks on hand - July 1 - United States (Lbs.)

	In Cold Storage		In Manufacturers' Hands	
	Butter	Cheese*	Cond. & Evap. Milk	Powdered Milk 2/
1925	63,659	61,966	186,626	8,089
1924	74,184	61,755	288,459	14,302
Change	- 10,525	+ 211	- 101,833	- 6,213
Per cent change	-14.2 %	+ 0.3%	- 35.3%	- 43.4%
Change from 5 year average	- .2 %	+26.3%	-	-

* All Types. 2/ Includes Skim Milk, and Cream Powder.

RECEIPTS OF BUTTER AND CHEESE (Lbs.)

	Butter at 4 Principal Markets*		Amer. Cheese at Wis. Warehouses	
	June	Jan.-June Inc.	June	Jan.-June Inc.
1925	71,755	274,590	33,475	130,304
1924	75,194	287,846	33,373	129,513
Change	- 3,439	- 13,256	+ 10?	+ 791
Per cent change	- 4.6%	- 4.6%	+ 0.3%	+ 0.6%

* New York, Chicago, Philadelphia and Boston

NEW IMPORTS AND EXPORTS - June (Lbs.)

	Butter	Cheese	Cond. and Evap. Milk	Milk Powder 1/
1925 - June	133 Im.	5,481 Im.	18,076 Ex.	689 Im.
1924 - June	87 Im.	4,533 Im.	11,458 Ex.	174 Im.
Net				
Jan.-June 1925	1,780 Im.	21,331 Im.	94,469 Ex.	135 Im.
Jan.-June 1924	14,123 Im.	24,153 Im.	105,927 Ex.	798 Ex.

1/ Includes Skim Powder.

BUTTER SUMMARY FOR JANUARY - JUNE INC. (Lbs.)

	1925	1924	Change in 1925	Per cent Change
In cold storage Jan. 1.	65,657	30,299	+ 35,358	+ 116.7 %
Production:				
Creamery (Est.)	855,759	882,962	- 27,203	- 3.0 %
Farm (Est.)	75,579	77,040	- 1,461	- 1.9 %
Net imports (Jan.-June)	1,780	14,123	- 12,343	- 87.4 %
TOTAL	998,775	1,004,424	- 5,649	
In Cold Storage July 1	63,659	74,184	- 10,525	- 14.2 %
Apparent consumption				
During Jan. - June	935,116	930,240	+ 4,876	+ 0.5 %
Average per month	77,926	77,520	+ 406	+ 0.5 %
App. consumption June	179,629	187,501	- 7,572	- 4.0 %

THE POULTRY AND EGG SITUATION

Division of Dairy and Poultry Products, B. A. E.

Egg receipts at the markets are declining, a normal occurrence at this season of the year. During June and the first week of July they ran slightly ahead of last year, but since then they have fallen behind so that receipts since January 1 for both years are nearly identical.

Egg prices still range 5 to 6 cents a dozen over the same time last year. Prices advanced steadily throughout June, but, during the first half of July, a decreased demand coupled with fairly liberal receipts and with the use by dealers of more or less stock drawn from the storage warehouses checked any further advance for the time being and even caused a slight temporary recession. Announcement of the storage holdings of July 1, showing a surplus over last year, which while not burdensome was greater than generally expected, caused a slight weakness to develop in December refrigerators but that was quickly overcome.

The price of live fowl held fairly steady during June. More liberal receipts and a lighter demand early in July caused a rather sharp decline from which there was no material recovery until after the middle of the month. Live broilers advanced in price during the first half of June and then, under increasingly liberal receipts, declined quite steadily until about July 15. On that date, live fowl were higher and live broilers lower in price than a year ago.

Heavier supplies of fresh killed broilers caused a steady price decline during June and the first half of July. Fryers held steady during June, but as greater quantities began to come forward in July they also declined in price. A tendency on the part of dealers to push the sale of frozen chickens undoubtedly contributed to these price declines. With storage stocks of frozen fowl of desirable qualities about cleaned up, fresh killed fowl, on the other hand, advanced slightly in price during June, and this advance was fairly well maintained during the first two weeks of July. By the middle of July, prices of fresh killed chickens were below last year while fowl were higher.

With stocks of frozen broilers on July 1 nearly double and of frozen roasters more than three times those of last year, and with the new season of accumulation near at hand, frozen broilers and fryers have both reflected their conditions in gradual but considerable price decline from June 1 to July 15 which has brought prices to a level well below those prevailing at the same time last year. Frozen roasters have also declined in price but less severely and are likewise below the price level of last year.

POULTRY AND EGG SITUATION.
(Thousands, i.e. 000 omitted)
Stocks in Storage - July 1 - United States

	Shell eggs (Cases)	Frozen eggs (Pounds)	Dressed poultry (Pounds)
1925	9,475	38,373	58,552
1924	8,685	33,565	34,886
Change	+ 790	+ 4,808	+ 23,666
Per cent	+ 9.1	+ 14.3	+ 67.8
% change from 5-yr. av.	+ 10.2	+ 45.5	+ 71.3

Imports and Exports of Poultry and Eggs - January 1, to June 30.

	Imports	1925	1924	Exports	1925	1924
Shell eggs (dozens)		461	162		13,483	16,494
Whole eggs, dried (Lbs.)		345	544)			
Whole eggs, frozen (Lbs.)		3,695	1,106)		157	392
Yolks, dried (Lbs.)		696	522)			
Yolks, frozen (Lbs.)		1,757	1,210)			
Egg albumen, dried (Lbs.)		801	311			
Egg albumen, frozen, prepared or preserved (lbs.)		745	636			
Live poultry, (Lbs.)		71	69		387	416
Dressed poultry (Lbs.)	(2)	1,026	(2)	773	(1) 4,648	3,723
Canned poultry (Lbs.)	(3)		(3)		(3)	47

(1) Includes game. (2) Includes poultry dead and prepared. (3) Not separately stated.

Receipts and Apparent Trade Output at Four Markets - Eggs (Cases)

Receipts	Net storage Movement	JUNE		JAN. 1 - JUNE 30		
		App. trade Output	Receipts	Net storage Movement	App. trade Output	
1925	1,947	+ 803	1,144	10,014	+ 2,951	7,063
1924	1,795	+ 826	969	9,896	+ 2,362	7,534
Change	+ 152		+ 175	+ 118		- 471
Per cent	+ 8.5		+ 18.1	+ 1.2		- 6.3

Receipts and Apparent Trade Output at Four Markets - Dressed Poultry (Lbs.)

Receipts	Net storage movement	JUNE		JAN. 1 - JUNE 30		
		App. trade output	Receipts	Net storage movement	App. trade output	
1925	17,487	- 6,117	23,604	108,992	- 48,602	157,594
1924	17,863	- 3,172	21,035	134,254	- 38,030	172,284
Change	- 376		+ 2,569	- 25,262		- 14,690
Per cent	- 2.1		+ 12.2	- 18.8		- 8.5

PRODUCE SELLING WELL

Division of Fruits and Vegetables, B. A. B.

Farmers made up their minds to plant less truck this season. There is little evidence that the published reports of this intention changed the plans as a whole. The estimates later showed general reduction in potatoes, onions, cabbage, melons and most other leading market crops. Decreases in the South proved, as usual, some indication of a similar trend reported later in the North. Many growers who planted heavily found their calculations upset by drought which has been the chief cause of lighter yields per acre in the early and intermediate shipping regions. There is less complaint than usual of diseases and pests.

With acreage very moderate and the 5 leading fruits and 10 leading vegetables close around the average July conditions, the indications suggest rather light market supplies to come. The hot weather lines of produce have been in good demand, including melons, cantaloupes, lettuce and miscellaneous fruits, but shipments of some standard products like potatoes, cabbage, onions and tomatoes have been less than last season. Combined supply is about normal so far, but the evident crop reduction may cause some falling off from last season during the usual height of activity in August, September and October. With buying active and general business conditions fairly good the market would be expected to continue in favor of producers. Such market leaders as potatoes, melons, peaches, cabbage and onions the last of July were selling at two or three times the prices of last season.

Potatoes have sold high because of light yield, resulting from dry weather from Virginia northward to New Jersey and westward to Kansas. North of that general region there was more rain. Conditions were good at last reports in the northern Potato Belt from New York and New England to the West Coast. The strength of the position at long range is based on the smallest potato acreage since 1907 and the indicated total production of only 3.1 bushels per capita, which is no more than reported for those seasons of great shortage, 1911 and 1919. Unless increased in later returns there will be not much over three-fourths of last season's supply. During the past 20 years the records have shown rising prices from the fall months to spring in seasons when the per capita was below 3.3 bushels.

The apple situation begins to take form, with the prospect of an eastern crop a million barrels below last season, but having a large proportion of winter varieties and averaging better market quality, at least in such leading States as New York, Michigan and Virginia. In the boxed apple region is a market crop about equal to that in the East, handicapped by distance, but excellent, so far, in size and appearance of the fruit. Competition from western Canada may be light but the eastern Provinces expect a good crop. Europe seems to be nearer supplying its own apple markets than for the past two seasons although latest reports indicate drought injury. Early prices in eastern

city markets ranged \$1-\$3 per bushel, about the same as last season. Prices have been about one-third higher in mid-western markets than in the East owing to the partial failure of usual sources of early supply.

Peaches are being forced along in quantity by the early season, but prices have been higher than last year because of better quality. The early crop was moderately large; the intermediate and late crop is reported light to moderate. Pears will be a very moderate crop except in the Far West which is shipping most of the early supply. Cantaloupe prospects in the eastern shipping States have been impaired by drought, but the mid-season movement from central California, Arizona and Colorado is expected to be heavy. The early watermelon crop was moderate in quantity but excellent in quality and sold at prices satisfactory to shippers. The late crop was expected to be about the usual acreage but some drought injury has been reported. Sweet potatoes were planted in about the average acreage of recent years but the crop is doing only fairly well in the principal eastern shipping States.

Onion supplies are coming chiefly from half a dozen intermediate States which reported a decrease of 25 per cent in estimated production. Prices have ranged much higher than usual. For the later crop, production outlook seems poor. The acreage is lightest in five years and condition poorest.

Cabbage prices have been unusually high, owing to the light production in the intermediate shipping sections. Acreage in the main crop region, especially that of domestic-type cabbage, has apparently been reduced about 10 per cent, compared with last season. Less land was sown to main crop carrots this year and condition is not so good. Canning peas show reduced yield.

Among the few lines now promising supplies as large or larger than last season are sweet potatoes, tomatoes, cantaloupes, grapes, field beans and peanuts. The first three of these, at least, are still threatened with severe injury from drought.

THE LIVESTOCK SITUATION

Marketing Livestock, Meats and Wool Division, B. A. E.

With current prices for hogs, cattle and sheep higher than for any corresponding period since 1920 livestock producers are beginning to come into their own. The short corn crop of 1924 with resulting high prices forced liquidation of hogs and discouraged cattle feeding. Hog prices have been advancing for a year and many expect them to go higher before the new crop reaches market next fall. The improvement in the cattle market has been less spectacular until recently when an obvious shortage in the better grades resulted in sharp advances and new top prices.

While lambs are selling \$2 to \$3 below the high prices prevailing early in the year they are higher than in any July since 1920, and prices are sufficiently attractive to continue to encourage increased production.

CATTLE - Stocker and feeder shipments during the first half of the year were 20 per cent less than the average for the corresponding period of the three preceding years. For the last half of 1924 they were 20 per cent less than in the same period of 1923. Last spring fed cattle were marketed earlier than usual thereby increasing the relative supply of better grades and tending to hold down prices on that kind. By the end of June many feedlots were emptied and prices have advanced sharply since. The price premium enjoyed by the better grades of lightweight steers disappeared as heavy cattle became relatively scarce and the latter are now being sought avidly by packer buyers. As a scarcity of fed cattle seems almost certain during the remainder of the year higher prices will not be surprising.

Market receipts of calves have been heavy this year, but they are coming mainly from dairy sections, indicating possibly the tendency to limit expansion in the dairy industry by vealing more heifer calves.

The marketing of grass cattle will soon be in full swing. Some of the range areas have reduced their herds, notably the Southwest, but it is not believed that there will be a material reduction in the market supply of grass cattle this fall. A large supply of corn at reasonable prices and a material reduction in hogs are in prospect, and this together with higher prices for fed cattle should create an active demand for grass cattle for feeding. As yet the lower grades of cattle have showed little tendency to advance. High prices for pork products should tend to improve the demand for beef.

HOGS - About 82 per cent of the 1924 Corn Belt pig crop is estimated to have been marketed by July 1, leaving 18 per cent to be marketed in the next four months. This crop was 20 per cent less than that of 1923. The 1925 spring crop is indicated to be about 10 per cent less than that of 1924 and probably will mark the bottom of the production cycle. Market receipts during the next 12 months will be less than at any time since 1921. Including stocks of pork now in storage, the supply available for consumption and export during the next few months may not exceed 60 per cent of that consumed and exported during the same months of last year. Prices now are about 84 per cent higher than a year ago and they are expected to go higher. It is interesting to note that 28

million hogs slaughtered from November 1, 1924, to May 1, 1925, cost packers 156 million dollars more than the 30 million hogs slaughtered between November 1, 1923, and May 1, 1924.

SHEEP - Favorable conditions in the sheep industry in the last three years have resulted in some expansion in production. The Department's survey of June 1, shows an increase of 5.5 per cent in the lamb crop over last year and a percentage of yearling ewes in breeding flocks more than sufficient for replacements. The increased lamb crop is due chiefly to increases in the "native" sheep States, several of the "western" States showing decreases. The tendency toward expansion is most marked in native farm flocks and in small flocks in the western States.

California shipped approximately 330,000 spring lambs to eastern markets, the movement being the heaviest on record. Eastern and southern lambs reached marketable condition earlier than last year and dry pastures in June induced producers to ship early. Western producers are now topping out their flocks and sending their best lambs to market. The average quality thus far has been unusually good. Little contracting is being done as yet in feeding lambs. Feed prospects in Colorado are not as good as last year, but the intermountain sections report excellent conditions. A larger proportion of Montana and Wyoming lambs may go for slaughter because of better range conditions in those States.

Wool prices have been advancing slowly since reaching the low point recorded the last week in May, but trading is still rather inactive.

THE SITUATION IN VARIOUS KEY STATES

(From Reports of State Statisticians of this Bureau)

CALIFORNIA - Weather conditions which have maintained during June and early July have been generally favorable for the development of agricultural crops in the State. In many of the valleys of California average spring and early summer temperatures were somewhat lower than the optimum for securing stands and promoting a most rapid crop growth. Warm weather which followed during late June and early July has in many instances offset such lateness until the season of most crops to date is about normal. There were some unfavorable results from these high temperatures in certain localities, although the total of such damage now seems to be slight.

The harvest of wheat, oats and barley in all important grain growing districts except those of high elevation is already complete or awaiting the harvester. The occurrence of hot weather was sufficiently late to avoid damage to these grains. Grain yields in most localities are resulting about as had been anticipated. Heavy rains which occurred in May have, however, produced considerable stained barley. The probable effect of this condition on the price that will be received for export barley is still difficult to determine as standards for trading have not as yet been determined by California exporters and European importers of malting barley. It seems, however, that a large portion of the bright barley produced in California in 1925 is geographically tributary to the largest feed barley market of the State and that available California export brewing barley will not equal its average brightness of color.

Tame hay in California consists largely of grain hay and alfalfa. Nearly all of the grain hay crop has now been harvested, resulting in very good yields. There is, however, an important portion of this hay which is off-color due to rain damage at time of harvesting.

The planting date of rice probably averaged three weeks later than the normal planting date due to late spring rains. This delay, however, has already been greatly offset by the very favorable warm weather which has occurred during late June and early July. The acreage of rice is about 23 per cent greater than in 1924. Indications for ample water supply during the remainder of the growing season are very encouraging.

The warm weather has also been very favorable to the growth of cotton. The acreage of cotton in California plus the acreage in lower California and Mexico which is normally marketed through California channels, shows an increase of about 22 per cent above 1924.

The present outlook indicates a large crop of grapes in California. The recent hot weather has caused slight injury in the form of sunburn in some localities where the foliage was lightest, but has reduced the total outlook only slightly. Early maturing Bartlett pears are now being marketed, shipments having begun about 10 days ago. The present forecast for the State shows an increase of about 11 per cent above the total production of a year ago. Apricot canning and drying are progressing satisfactorily. There is little change shown in the condition of the orange and lemon crops during the past month. Likewise the outlook of production of other fruit crops has changed very little during the past month.

The shipping season of Imperial Valley cantaloupes is about at its close, having resulted in one of the most profitable seasons ever experienced for cantaloupes in this Valley. Watermelon and cantaloupe shipments from the San Joaquin Valley are now under way. A portion of the acreage planted to these crops was somewhat damaged by the period of high temperatures during late June and early July, although production will probably still exceed that of 1924 in these areas.

Feed on non-irrigated pastures is now dry or partially dry, which is a normal development for this period of the year. The condition of various classes of livestock shows little change during recent weeks. -- E. E. Kaufman.

IOWA - The battle for tax reduction on Iowa farms is being waged in nearly every county. Farm organizations on the offensive have made effective gains in about 15 county sectors, which have helped to advance other counties to new positions of attack. Iowa farm lands are valued higher for taxation purposes than city property. The contention is that, in proportion to the sale value, Iowa farms are carrying too great a burden of State taxes. Investigations made by the State Department of Agriculture indicate that in every county in the State farm lands were valued from 5 to 28 per cent higher than city property, the average about 10 per cent higher.

These investigations show that land values have dropped \$69.97 per acre in the last 5 years in 97 of the 99 counties. The present average valuation is but \$11.65 higher than in 1915.

In about 15 counties a lowering of farm land valuations for taxation purposes has already been obtained through the Boards of Supervisors. In several other counties the supervisors have passed resolutions approving reductions and have asked the State Executive Council to make such a reduction.

Farm organizations in nearly every county in the State are at work comparing the productive ability of various classes of property both on farms and in cities, representative properties being investigated to determine their taxable valuations as compared with their actual valuations in 1915, 1920, and 1925. Many striking differences are being found in these comparisons. The results of the county investigations will be submitted to the Iowa Executive Council about August 1, at which time an appeal will be made for a general reduction in valuations for taxation purposes. -- Leslie M. Carl.

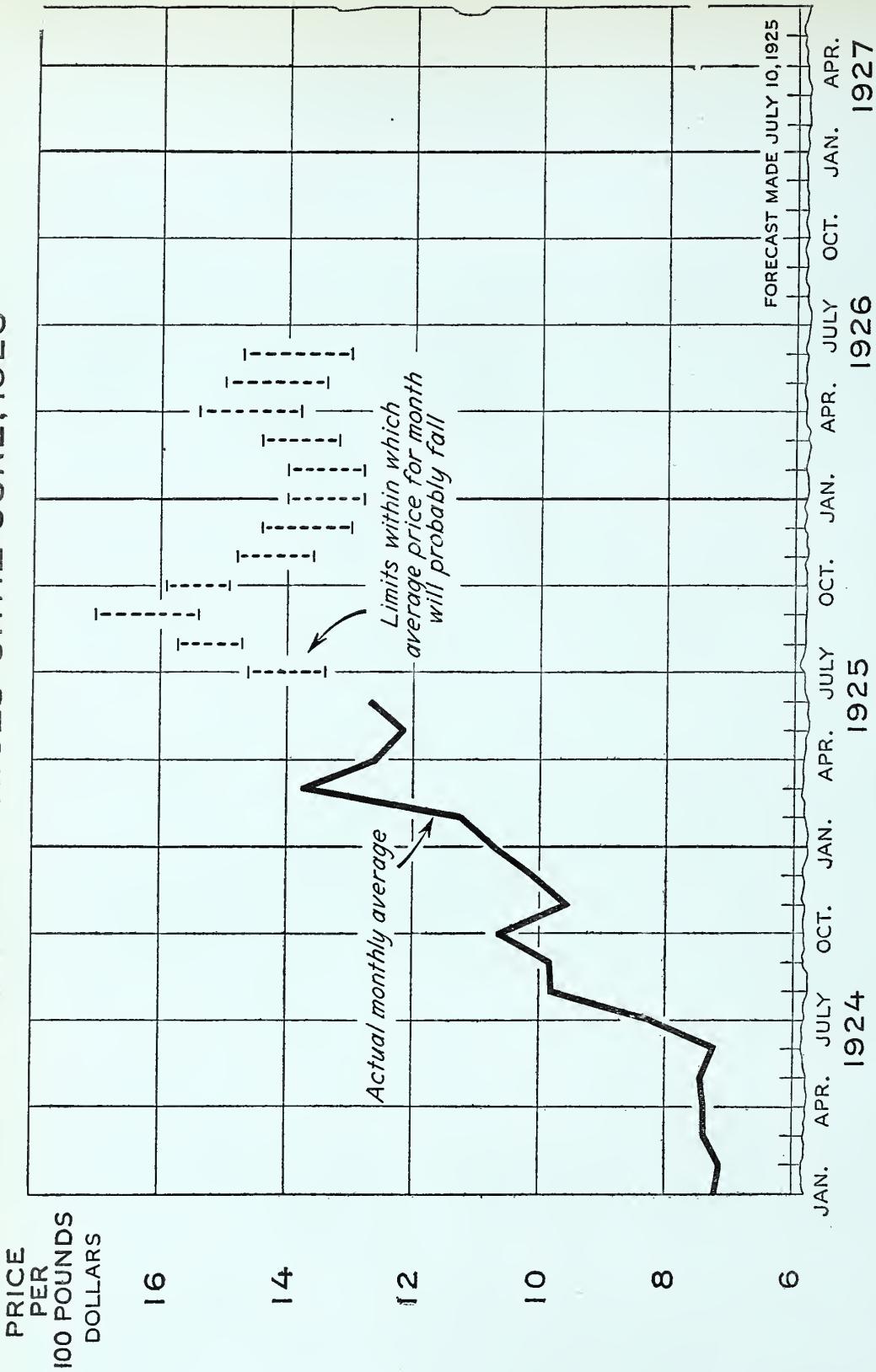
TEXAS - Under the influence of excessively high temperatures and hot winds, crop conditions over the State have undergone more than their normal decline for this period of the year. An area involving 64 counties, which include a large proportion of the productive blackland, is in very poor condition. This region last year produced practically two-fifths of the 4,952,000 bales of cotton made as well as 35 per cent of the oats, 40 per cent of the corn and 30 per cent of the hay. Since July, 1924, only one-half of the normal rainfall has fallen in the State and even less than this amount over the south and central districts. In the remaining 190 counties conditions range from fair to very good. Both the wheat and oat crops have been very short and the corn crop will be the smallest in many years. Grain sorghums are doing well in the main producing sections, but unless rains come soon the hay crops will be even shorter than they were last year.

Sales of arsenical poisons are increasing with the spread of leaf-worms and weevil. Livestock conditions are very poor in the drought area but in other sections they vary from poor to good. The wool and mohair clips are lighter than during the 1924 season, and the calf, lamb and kid crops are smaller. In the drought area, work animals are being shipped to pasture to remain until conditions improve, and many workers are leaving for the towns to find employment.

Pending the outcome of the present disturbed conditions, business is being conducted on a very conservative basis, the merchants buying actual requirements only. Country buying has fallen off abruptly in the south-central area. Banks have noted a decline in deposits and borrowing from the Federal Reserve Bank shows an increase. Except in the cities and in portions of the developing western region, building activities show a decline. Row-binders are being sold in increasing numbers in the northwest where a good grain sorghum harvest is expected. In the rice district, the truck and fruit sections, and scattered localities elsewhere conditions continue to be very good. There is an abundant labor supply for all purposes.

-- H. H. Schutz.

MONTHLY PRICES OF HEAVY HOGS AT CHICAGO,
 JANUARY, 1924 TO JUNE, 1925; AND FORECASTED
 TREND OF PRICES UNTIL JUNE, 1926



Price forecasts are rash things, but here is a forecast. It is based upon the trend of hog prices, pig production, market receipts, the price of corn, current condition of the corn crop, industrial buying power, etc. Hog production and prices constitute one of the most definite cyclical movements in agriculture. While any forecast is at best a guess, the above chart represents an effort to make a reasoned guess on events which producers are constantly compelled to anticipate.